

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, NJ 07101
(973) 504-3600

IN THE MATTER OF:

ROBERT H. SOLASH (CRD #430218)

ORDER FOR DENIAL
AND PENALTY ASSESSMENT

Robert H. Solash
76 West Waukena Avenue
Oceanside, NY 11572

Jesup & Lamont Securities Corp.
650 Fifth Avenue, 3rd Floor
New York, NY 10019

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to 76 ("Law") specifically, N.J.S.A. 49:3-58(a), and after careful review and due consideration of the facts set forth below, the Bureau Chief has determined that good cause has been shown to summarily assess civil monetary penalties and issue a denial of the registered representative's application for registration in the State of New Jersey.

PARTIES

1. Robert H. Solash resides at 76 West Waukena Avenue, Oceanside, New York, 11572.

2. Solash was a registered representative of Jesup & Lamont Securities Corp. (CRD #39056, hereinafter “Jesup & Lamont”). He is licensed with NASD Series 1, 5 and 63 certifications.
3. Solash was registered with the New Jersey Bureau of Securities as an agent of Jesup & Lamont from April 24, 2002 until March 17, 2006. He was on restricted status, under a special supervisory agreement dated April 24, 2002, with the Bureau. Solash had been employed by Jesup & Lamont since January 7, 2002. The CRD indicates Solash resigned from his position, effective March 17, 2006, while the firm was investigating a customer complaint.¹
4. Solash currently seeks to be registered with the Bureau as a registered representative of Bishop & Rosen, Inc. (CRD #1248), a broker-dealer located at 100 Broadway, New York, New York.

FACTS

5. On February 7, 2002, Denise B. Sparacino (“Decedent”) opened a personal brokerage account² (“personal account”) with Jesup & Lamont, with Robert H. Solash as the broker of record/account executive. The name of record used on the account at the time of opening was Denise B. Sparacino, with an address of 6 Hubbell Street, Commack, New York 11725-2009.

¹ A more descriptive explanation of this termination is found on Robert H. Solash’s Form U-5 listed on the CRD.

² This account has been dissolved and consolidated with another into an account in the name of the Estate of Denise B. Sparacino, Rita M. Sparacino as executrix. At some point since 2004, Rita M. Sparacino withdrew all of the funds from the Estate account to be held with another broker-dealer.

6. On February 11, 2002, Decedent opened a corporation brokerage account³ (“corporate account”) at Jesup & Lamont, with Robert H. Solash as the broker of record/account executive. The name used on the account at the time of opening was DBS Travel, Inc., with an address of 6 Hubbell Street, Commack, New York 11725-2009.
7. On August 27, 2004, Decedent passed away, leaving her mother, Rita M. Sparacino (“Sparacino”), as executrix of her will.

EXECUTION OF UNAUTHORIZED TRADES

8. On October 18, 2004, Solash, aware of the decedent’s death, contacted Sparacino to discuss the DBS Travel account. During this conversation, Solash informed Sparacino of a new issue, a Nuveen Fund, which was coming to the market. Solash wanted to purchase shares in the new issue for the DBS Travel account. Solash told Sparacino that he would be sending her an Affidavit of Domicile and that he needed the tax identification number for the account. Sparacino expressed uncertainty about the proposed purchase and questioned her own power to authorize a trade at this point because her daughter’s will had not cleared probate.
9. Solash told Sparacino that she could get authority to trade in the account if she sent him a copy of the decedent’s will, which Sparacino did.⁴

³ This account was also dissolved and consolidated into the Estate account.

⁴ The will cleared probate on April 7, 2005.

10. Solash never had discretionary authority in either the personal account or the corporate account of Denise B. Sparacino.
11. At no point did Rita M. Sparacino give Solash authorization to execute any purchase or sale in or out of the personal or corporate account.
12. Following his conversation with Sparacino on October 18, 2004, Solash proceeded to execute three unauthorized trades in the DBS Travel account. Solash sold 7.039 Rochester Fund Municipal Class A shares worth \$123.82; he sold 4,463.78 Rochester Mutual Fund Municipal Class B shares worth \$72,874.98; and he sold 6,411.15 Rochester Limited Term New York Municipal Fund shares worth \$21,285.00. The total value of these trades to the account was \$94,283.80. The sales were made on October 18, 2004 and were settled on October 21, 2004.
13. The redemption fee that Solash made on this sale was \$2,800.00, representing the back-end load on the sale of the B shares.
14. On October 22, 2004, after receiving trade confirmations for the three trades, Sparacino spoke to Robert Strong, chief compliance officer for Jesup & Lamont, alleging that the trades were not authorized and requesting that they be reversed. This request was followed by a complaint letter from Sparacino addressed to Robert Strong on October 23, 2004.
15. On October 27, 2004, the three October 18 mutual fund sells were cancelled by Jesup & Lamont.

**EXECUTING TRADES WHILE NOT REGISTERED IN THE STATE OF NEW
JERSEY**

16. Solash began his employment with Jesup & Lamont on January 7, 2002. At that time, the firm name was Broadmark Capital Corp.⁵
17. On April 24, 2002, Solash became registered with the Bureau, authorizing him to conduct securities business within the State of New Jersey and with New Jersey residents. This registration was, however, subject to a special Supervisory Agreement (“Agreement”), because of Solash’s past disciplinary history in the securities industry. The Agreement required Jesup & Lamont to engage in heightened supervision of Solash’s activities and to certify certain facts pertaining to his business. The Agreement was signed by William Moreno, Broadmark’s chief compliance officer, on behalf of Broadmark,⁶ and by Robert H. Solash. (See attached Exhibit A).
18. Article Two of the Agreement certifies that Solash, “while employed by [Jesup & Lamont], has not offered or sold securities to New Jersey residents or persons who have New Jersey addresses.”
19. Prior to his registration with the Bureau, and while he was employed by Jesup & Lamont, Solash executed forty-one (41) brokerage transactions with five (5) customers having New Jersey addresses. His total gross commissions for these trades were \$13,486.62. (See attached Exhibit C).

⁵ The predecessor name to “Jesup & Lamont” was “Broadmark Capital Corp.” The firm adopted its current name on February 19, 2002.

⁶ In the original agreement, the employer’s name was recorded as Broadmark Capital Corp.

COUNT I

SOLASH HAS ENGAGED IN DISHONEST AND UNETHICAL PRACTICES IN THE SECURITIES BUSINESS

N.J.S.A. 49:3-58(a)(1); 49:3-58(a)(2)(vii)

20. The above paragraphs are incorporated by reference as though set forth verbatim herein.
21. Solash was the broker of record for the DBS Travel account. The account was non-discretionary, giving Solash no authority to trade in the account without the appropriate permission.
22. Knowing that Denise Sparacino was deceased, Solash sought permission to execute trades in the account from Rita M. Sparacino, whom he knew to be the executrix of the decedent's will. Sparacino never instructed Solash to make trades in the account.
23. Even though he did not have discretionary authority to make the trades in the account, Solash proceeded to make unauthorized sales of three securities without first consulting Sparacino.
24. Solash's act of trading in a deceased customer's account without discretionary authorization was a dishonest and unethical practice under the Law.
25. Solash's disregard for the wishes of his client and his execution of three unauthorized sales in her account were dishonest and unethical, and constituted violations of N.J.S.A. 49:3-58(a)(1); 49:3-58(a)(2)(vii) and were grounds for denial of Solash's registration in the State of New Jersey.

COUNT II

**SOLASH HAS ACTED AS AN AGENT OF A BROKER-DEALER WITHOUT
BEING REGISTERED IN THE STATE OF NEW JERSEY**
N.J.S.A. 49:3-56(a); N.J.S.A. 49:3-58(a)(1); N.J.S.A. 49:3-58(a)(2)(i); N.J.S.A. 49:3-58(a)(2)(ii)

26. The above paragraphs are incorporated by reference as though set forth verbatim herein.

27. Solash began his employment with Jesup & Lamont on January 7, 2002.

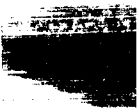
28. Solash had a “deficient” registration status with the State of New Jersey prior to January 8, 2002.

29. On January 9, 2002, after submission of a Form U-4, Solash’s registration status with the State of New Jersey was “pending.”

30. On April 24, 2002, Solash was registered and allowed to conduct securities activity in New Jersey. This approval was subject to the conditions of the Agreement between Jesup & Lamont, Solash and the Bureau.

31. Supervisory agreements may be required before an agent may be registered with the Bureau pursuant to N.J.A.C. 13:47A-3.1(e). As part of the Supervisory Agreement, Solash certified that he had not engaged in any securities transactions in New Jersey prior to registration.

32. Before Solash was registered with the Bureau, Solash executed forty-one (41) trades in five (5) New Jersey customer accounts, with the first trade executed on January 23, 2002 and the last executed March 28, 2002:

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- a. Solash executed five (5) sell orders and eight (8) buy orders for the account of a customer in Fort Lee, New Jersey for total gross commissions to Solash of \$3,160.36;
 - b. Solash executed two (2) sell orders and two (2) buy orders for the account of a customer in Englewood Cliffs, New Jersey for total gross commissions to Solash of \$5,255.99;
 - c. Solash executed two (2) sell orders and three (3) buy orders for the account of another customer in Fort Lee, New Jersey for total gross commissions to Solash of \$694.02;
 - d. Solash executed six (6) sell orders and eleven (11) buy orders for the account of a customer in Clifton, New Jersey for total gross commissions to Solash of \$4,073.35;
 - e. Solash executed one (1) buy order and one (1) sell order for the account of a customer in Wayne, New Jersey for total gross commissions to Solash of \$302.90.

33. In total, Solash's gross commissions for the unregistered trading activity conducted during this time period were \$13,486.62.

34. There is no exemption from agent registration upon which Solash may have relied.

35. The Bureau Chief is authorized to deny the registration of an agent where there is a finding of a willful violation of N.J.S.A. 49:3-56(a) where the Bureau Chief finds it is in the public interest pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(ii).

36. Solash's unregistered trading in violation of N.J.S.A. 49:3-56(a) was grounds for assessment of a civil monetary penalty against Solash pursuant to N.J.S.A. 49:3-70.1.

COUNT III

SOLASH HAS MADE MATERIAL FALSE OR MISLEADING STATEMENTS
FILED WITH THE BUREAU
N.J.S.A. 49:3-54

37. The above paragraphs are incorporated by reference as though set forth verbatim herein.

38. As a condition of registration with the Bureau on April 24, 2002, Solash submitted to the Supervisory Agreement which required a heightened level of supervision over Solash's securities activity.

39. In Article Two of the agreement, Solash certified that he had not, while employed by Jesup & Lamont, "offered or sold securities to New Jersey residents or persons who have New Jersey addresses." This statement certified that Robert Solash had conducted no securities activity with persons in the State of New Jersey during the time period of January 7, 2002 and April 24, 2002.

40. As set forth in Count II above, Solash had, in fact, offered or sold securities to New Jersey residents while in the employ of Jesup & Lamont.

41. The Bureau Chief is authorized to deny registration of an agent where there is a finding of a willful violation of N.J.S.A. 49:3-54 where the Bureau Chief finds it is in the public interest pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(ii).

42. Solash's misleading filing in violation of N.J.S.A. 49:3-54 was grounds for assessment of a civil monetary penalty pursuant to N.J.S.A. 49:3-70.1.

COUNT IV

**SOLASH FILED A REGISTRATION APPLICATION WITH THE BUREAU
THAT WAS FALSE OR MISLEADING IN ANY MATERIAL ASPECTS**
N.J.S.A. 49:3-58(a)(1); N.J.S.A. 49:3-58(a)(2)(i)

43. A Supervisory Agreement is part of an application for registration with the Bureau.

44. By signing the Supervisory Agreement certifying that he had not conducted any transactions with persons in the State of New Jersey, Solash filed a registration application with the Bureau that was false or misleading.

45. The Bureau Chief is authorized to deny the application of an agent upon a finding that the application contains false information where the Bureau Chief determines it is in the public interest pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(i).

Therefore, it is on this 1st day of May 2006, hereby
ORDERED that the registration application of Robert H. Solash with the State of New
Jersey is DENIED pursuant to N.J.S.A. 49:3-58(a)(1); N.J.S.A. 49:3-58(a)(2)(i); N.J.S.A.
49:3-58(a)(2)(ii) and N.J.S.A. 49:3-58(a)(2)(vii), based on violations of N.J.S.A. 49:3-
54; N.J.S.A. 49:3-56(a); and N.J.S.A. 49:3-58(a)(2)(vii).

It is also ORDERED that Robert H. Solash is assessed a civil monetary penalty in
the amount of \$20,000.00, which shall be paid to the Bureau within thirty (30) days of the
execution of this order pursuant to N.J.S.A. 49:3-70.1, based on forty-one (41) violations
of N.J.S.A. 49:3-56(a)(2)(ii) and one (1) violation of N.J.S.A. 49:3-54.

DATE: May 1, 2006

BY: Franklin L. Widmann
Franklin L. Widmann
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days notice, a written application to lift the summary denial on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997) provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.